

Scott went on to say that Wal-Mart shoppers will further be challenged to “support themselves and their families.”

“While it is unusual for us to take a public position on a public policy issue of this kind, we simply believe it is time for Congress to take a responsible look at the minimum wage and other legislation that may help working families,” he said.

Wal-Mart maintains that it pays above the current \$5.15 an hour minimum wage to its employees.

As the world’s largest retailer and largest U.S. non-union private sector employer with more than 1.3 million “associates” in its U.S. stores, Wal-Mart has been a lightning rod for criticism about its wage and benefits policy as well as lawsuits alleging gender discrimination. It continues to draw fire for allegedly stifling small businesses and squeezing its vendors.

Scott also discussed a new health-care package with lower premiums for Wal-Mart workers.

The new “Value option” plan, which will be introduced Jan. 1 2006, offers insurance coverage of \$23 a month “and kids covered for less than 50 cents per day . . . no matter how many children,” Scott said.

“We will offer this plan for \$11 a month, with children covered for less than 30 cents per day in some markets—and we are working to offer these savings nationally,” he said.

Said Scott, “We want to drive out as much as 25 percent of the cost in the healthcare system through leading a coalition of business, government and industry leaders in applying standards and technologies for efficiency.”

He also touted the retailer’s efforts to present itself as a more environmentally friendly company.

Whether it is jobs, health care, product sourcing or environmental impact, “it is clear to me that in order to build a 21st century company, we need to view these same issues in a different light,” Scott said in the speech.

“Our environmental goals at Wal-Mart are simple and straightforward,” he said. “One, to be supplied 100 percent by renewable energy. Two, to create zero waste. Three, to sell products that sustain our resources and environment.”

In energy-saving moves that will save Wal-Mart money, Scott said the company plans to increase the fuel efficiency of its truck fleet—among the largest in the country—by 25 percent over the next three years and double it within ten years.

“If implemented across our entire fleet by 2015, this would amount to savings of more than \$310 million a year. Compare that to doing nothing,” he said.

In addition, Wal-Mart said it will show preference to factories in China that participate in a “green company program” where the company will show preference to those suppliers and their factories involved in such a program.

“We are also committed to reducing our solid waste from U.S. stores and clubs by 25 percent in the next three years,” Scott said. “We’re replacing PVC packaging for our private brands with alternatives that are more sustainable and recyclable within the next two years.”

Scott delivered the speech on the eve of the company’s annual two-day conference for analysts at its Bentonville, Ark., headquarters.

MEDICAID REFORM

The SPEAKER pro tempore. Pursuant to the order of the House of Janu-

ary 4, 2005, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, today the House Committee on Energy and Commerce will begin the long road to meaningful Medicaid reform and I am proud to be part of this effort. Think back just a decade ago when, together, the Republican-led Congress and then President Clinton, the Democrat President, enacted a successful welfare reform with a transformation of the program from a sixties-era program that became a way of life to a temporary assistance program, sort of a hand and not a handout. I believe we can do this together for Medicaid.

The Medicaid program that is vitally sustaining for some people has become a leaking raft, carrying too many others whom we want to help obtain health care with options in competition and consumer choice. It is time to take a fresh look at Medicaid. Spending for Medicaid, Federal-State medical and long-term care for low-income families, elderly and the disabled, has risen very dramatically in the past decade. It has an annual growth of 7.9 percent, almost 8 percent. This is an unsustainable trend. As mandatory spending grows, obviously less money is available for other programs with high priorities, such as education, homeland security and National Institutes of Health research. This is true in the States also. In Florida, Medicaid represents nearly a quarter of the budget and is projected by 2015 to include almost 60 percent. Yet Medicaid does not well serve either the beneficiaries or the providers. It is unwieldy for States to oversee, unfortunately making it a program which attracts fraudulent practices. Finally, it does not provide opportunities and incentives for beneficiaries to take charge of their own health care. This is especially worrisome when some eligibility categories depend upon the Medicaid program, such as the developmentally disabled.

Some points I would like to highlight include, one, cost-sharing. No one has said this better than Tennessee Governor Phil Bredesen, who delivered the national Democratic address on a Saturday in June: “Number one, everybody pays something. Imagine shopping at a store where nothing has a price tag and you never get a bill. You would spend a lot more than you do now. But this is exactly how Medicaid works today. Until there’s a little economic tension, until everyone has a little skin in the game, the system will continue to be inefficient.”

Also, I am encouraged to hear some forward-looking Governors, like Governor Jeb Bush of Florida, who has been discussing the role that beneficiary behavior change could play and has received Federal approval for a tidal change demonstration project in Medicaid. Last Wednesday, October 19, Health and Human Services Secretary Mike Leavitt approved an innovative

Medicaid reform plan that will allow Florida beneficiaries to choose health care plans that best suit their needs, for the first time introducing competition and consumer choice to this government-funded health care program. Florida will begin the phase-in of this unprecedented demonstration in two counties, Broward and Duval, in July 2006. A statewide implementation plan will follow. The demonstration is approved to run through June 30, 2011.

My colleagues, these are opportunities in Medicaid coverage where vast savings could be realized. More importantly, quality of life can be vastly improved if beneficiaries would make healthier, more responsible, more forward-looking choices. This could be implemented with a carrot, not a stick, strategy and it is not such a radical departure from other insurance models that we see today. The auto insurance industry has given safe driver discounts for years, and some health insurance plans give, quote, healthy lifestyle discounts for insurees who use a gym or stop smoking. Let’s design a beneficiary-empowering reward system to incentivize beneficiaries to lead healthy, fulfilling lives. Eat healthfully, drink in moderation, stop smoking, exercise, manage stress, purchase long-term care insurance when you are young and healthy, develop strong family and community ties as nurturing resources.

Mr. Speaker, finally I am most hopeful about the prospect of making consumer direction in Medicaid a permanent option. For years there has been a proposed pilot project called “cash and counseling” in Medicaid in Arkansas, New Jersey and my home State of Florida. Since then it has been expanded to 11 new States who were impressed by its success. In the Medicare Prescription Drug and Modernization Act of 2003, I included a provision creating an analogous demonstration and evaluation project in the Medicare program. And today I plan to introduce “cash and counseling” legislation to make it a permanent option so future States do not have to go through the bureaucratic waiver process for years to get on board. Besides the positive features of increasing choice, personal responsibility, and a sense of ownership over one’s own health.

Let’s all take this opportunity to work together, Congress, Governors, beneficiaries, patient advocates, providers, on productive solutions.

OUR SITUATION IN IRAQ

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from Missouri (Mr. SKELTON) is recognized during morning hour debates for 5 minutes.

Mr. SKELTON. Mr. Speaker, I rise this morning with mixed emotions for our situation in Iraq. I am certainly pleased for the Iraqi people to see that it looks as if they have passed the constitutional referendum. The upcoming